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DCI/IC-1545/75
10 December 1975

MEMORANDUM FOR: Comptroller

SUBJECT : Funding for Imagery Transmission
System - Washington (ITS-W)

1. General Wilson has raised with Mr. Colby the question of initial participants in the ITS-W (LASERFAX) system. However, the Director indicates that his immediate concern is the current status and prospects for funding the project, and requests that the Comptroller report and advise on that issue before any other steps are taken.

2. The basic requirement for a LASERFAX system is not in question. The present indication is that if funds should be available as originally contemplated, Mr. Colby might approve a network of some 5-7 stations. This is as precise as I can be at this time in response to the question raised in paragraph 5 of the memorandum dated 10 November 1975 to C/IHC from D/OC via DDA.

3. As noted in that memorandum, the period for acceptance of the [] proposal expires on 16 December 1975. The Project Office anticipates that an extension could be obtained, but at some additional expense.

4. If we can be of assistance to you, [] and I will be standing by and on call []

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Chairman, IHC

cc: Deputy Director for Administration

TAB

12 December 1975

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MEMORANDUM FOR:

SUBJECT : Laserfax Funding Alternatives

Jack :

1. Attached is an unofficial draft of a possible fall-back position by means of which we might accomplish the DCI's objective for an automated imagery dissemination system.

2. We have roughed out this alternative proposal for consideration and evaluation in case your report to General Wilson and Mr. Colby is forced to advise that there is no possibility of funding this project now at the scale on which it is presently envisioned.

3. This scenario asks whether the CIA Deputies want the Laserfax capability badly enough so that they think it desirable to try to work out with you some kind of reprogramming of current funds to procure a CIA-only, three station net without an automatic switch.

4. I have not tried this out on anyone else, but I thought you should be aware of it, and it might be helpful to you in formulating your general views.

Chairman, USIB/IHC

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Attachment
As stated

WORKING PAPER

12 December 1975

An Alternative Configuration for ITS-W

1. Present fiscal restraints may preclude the purchase of an initial ITS-W network on the basis of the offer which is now STAT under consideration. That October 1975 offer amounted to \$1.8M for final engineering, manufacture, system tests, shipping, and installation, on the basis of a ten-station network and automated switch. A deduction of \$70K from the \$1.8M total could be made for each station less than ten. In prior engineering reviews, the planned network had been brought down to a stripped version, without design frills and without circuit redundancy. It provides for both broadcast and point-to-point transmission, as well as secure voice communications between subscribers.

2. The purpose of this paper is to call attention to a possible alternative that might lead to the acquisition of a more limited imagery transmission

capability at considerably smaller expense. This alternative should be explored, since the requirement -- approved by the DCI last April -- for an initial system remains valid.

3. An alternative, less expensive network could be achieved with the use of some of the Laserfax terminals and manual switchboard attended by CIA OC watchstanders. For example, it appears that a secure network of four stations could be purchased from Harris for about \$450K. OC/CIA would install, operate and maintain the equipment. We do not have an estimate of the resource impact on OC, but do not think it would be prohibitive for either installation or operation. The switchboard would be placed in the CIA Signal Center at Langley and would not require dedicated operators. The network could be operated only in a point-to-point mode. Messages to multiple addressees would have to be transmitted serially, i.e., to each addressee by means of a separate call. Similarly, the manual network would not have an integral voice capability. Such a network could probably not be expanded beyond five subscribers because to do so would overwhelm the manual switchboard.

4. The estimated costs derive from:

Four terminals	\$ 215 K
Crypto interface	<u>20 K</u>

Subtotal = \$ 235 K

Final Engineering, Training of one OC technician, Documentation, and Shipping	<u>165 K</u>
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Subtotal = \$ 400 K

<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> G&A, Profit	<u>50 K</u>
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TOTAL = \$ 450 K

It is noted that the cost of a single terminal is less than the \$70K in the proposed, automated network. This is due to a less sophisticated control unit for each terminal, and the deletion of installation costs. Crypto devices have not been included in costs since they have already been purchased by OC.

5. The manual network could be upgraded at a future time to an automatic configuration with a central automated switch. The terminals of the simple, manually operated net would be retrofitted and incorporated into the upgraded network. The automatic network would reinstate the broadcast mode and the secure voice features.

6. Time to IOC for the small manual network would probably be the same as that for the automatic network: January 1977. Any time which could be saved by the manufacture of a more simple network without an automatic switch is likely to be cancelled out by the time required for the preparation of a new proposal from Harris.

7. A specific scenario might run as follows:

(a) The CIA Comptroller and CIA Deputy Directors ascertain whether reprogramming of FY-76 CIA funds is feasible and desirable, in order to procure three sets of terminal equipment. Those sets would be installed at and the CIA Headquarters building.

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(b) The Project Office advise on implications to it of assumption of task of installation of the foregoing equipment and of operating a manual switchboard to connect those stations.


(c) If favorable answers are received to (a) and (b), D/DCI/IC offer to D/DIA the opportunity to install a fourth station in the NMIC, provided DIA will now make available funds to

pay for one-quarter of the total costs of a four-station network. (Otherwise, CIA will proceed with a three-station initial test network in order to provide a minimum operating capability for CIA and DCI needs.)

(d) Place high on the list of the CIA Comptroller for year-end reprogramming -- if possible -- the funding of an automated switch capability for ITS-W, as originally designed.

(e) Ensure, in any event, that FY-77 funding for CIA provides for accomplishment of ITS-W as it affects DCI and CIA components, to the extent that FY-76 funding actions have not accomplished this objective.

(f) D/DCI/IC advise other members of the Intelligence Community of the steps taken, and notify them of the terms and conditions under which they may fund for their own participation in ITS-W.


Chairman
USIB/IHC

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